



Ninety-Ninth Legislature - First Session - 2005
Introducer's Statement of Intent
LB 657

Chairperson: DiAnna R. Schimek
Committee: Government, Military and Veterans Affairs
Date of Hearing: March 2, 2005

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The purpose of LB 657 is two-fold. It is to prevent state agencies from entering into contract with contractors who outsource their work outside the United States. It also requires all agencies who propose contracts over \$50,000 to use a pre-process to determine whether or not it is more cost-effective to use or hire state employees or to contract out the service. The intent of both of these provisions is to keep Nebraska dollars at home and provide accountability for the taxpayers' money.

LB 657 amends the state contracts for services statutes by adding or clarifying the following provisions:

1. State agencies may not contract with a contractor who uses a subcontractor, or transfers any contracted work outside the United States;
2. Each proposed contract for services over \$50,000 shall use a pre-process which shall be submitted to Materiel Division with a copy to the appropriate collective bargaining unit.
3. Materiel Division shall develop guidelines for agencies to use in conducting the analysis which at a minimum include:
 - a. statement of the service needed;
 - b. reason for purchasing the service instead of using/hiring state employees;
 - c. any federal requirements that the service be provided by an external source;
 - d. demonstration by the state agency that it has taken formal and positive steps in considering alternatives to such contract, including reorganization, re-evaluation of service, and re-evaluation of performance;
 - e. whether the request is temporary, urgent, or occasional in nature;
 - f. description of any relevant legal issues, including barriers to contracting for the service or requirement that the state agency contract for the service; and
 - g. an explanation of the expected level of control the state agency will maintain over the service provider and identification of staff who will be monitoring the contract for performance.
4. Within 30 business days after receipt of the state agency's request, the Material Division shall notify the state agency whether the proof of need has been met to contract for the proposed service. Agencies must also submit a formal plan of assistance for any employee displaced by such contract.
4. The pre-process information, shall at a minimum, be available to the public by web access.

Principal Introducer:

Senator Don Preister
